



Budget Workshop

An Introduction to the City's Budget



Purpose of This Workshop

- Lodi Budget 101
 - How is the City structured?
 - What is the budget process?
 - Where does the money come from, where does it go?
 - What's next?
- Measure L
 - Short term/long term plans
- Long term Outlook
- Questions/Comments/Feedback

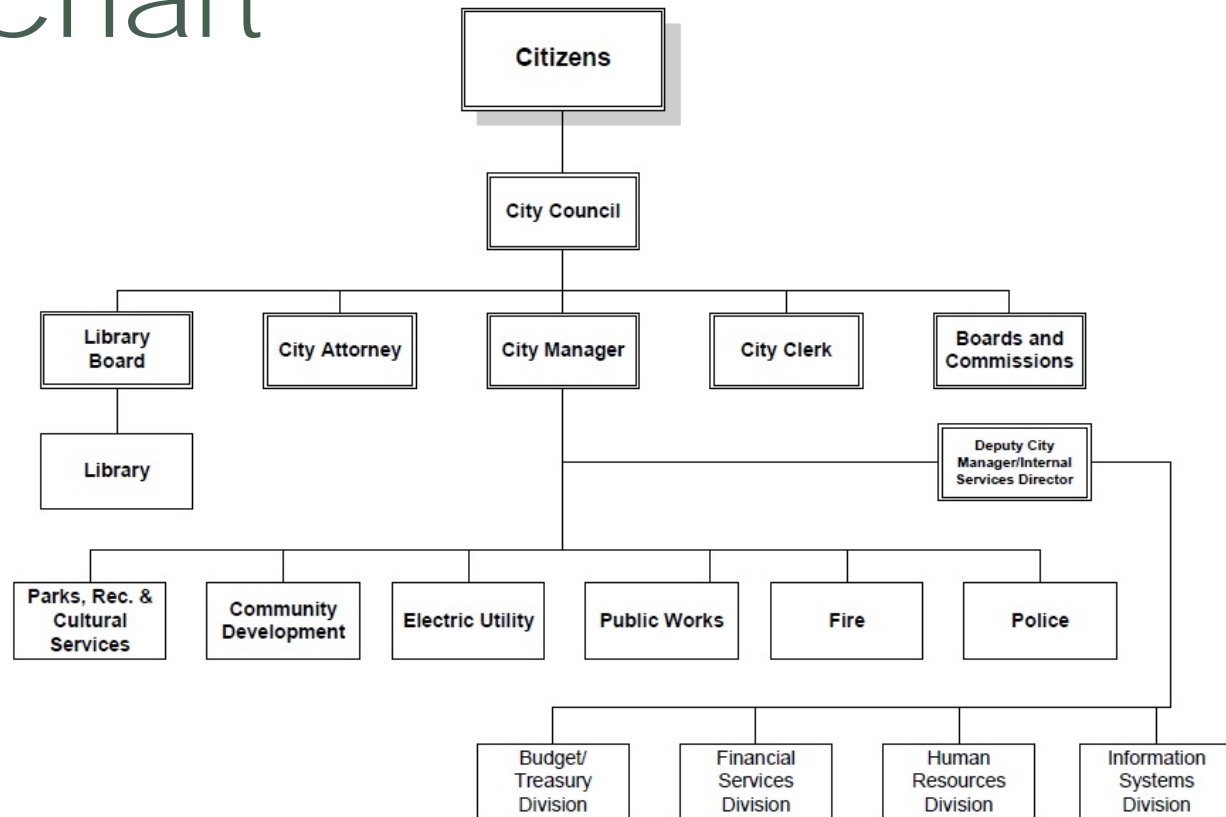


City Government

- The City of Lodi is a Council-Manager form of government
 - City Council is the Legislative Body
 - City Manager is the Chief Executive
 - Four Officers Appointed by City Council
 - City Attorney
 - City Clerk
 - City Manager
 - Treasurer
- 391 Full-time City Employees

City Org Chart

City of Lodi



What is a Budget?

- A budget is an estimate of income and expenditures for a set period of time
- The Budget:
 - Serves as the financial plan for the City
 - Reflects the priorities and goals of the City Council
 - Establishes funding levels for City services
 - Can change throughout the fiscal year with Council approval
 - Is governed by federal, state and local laws



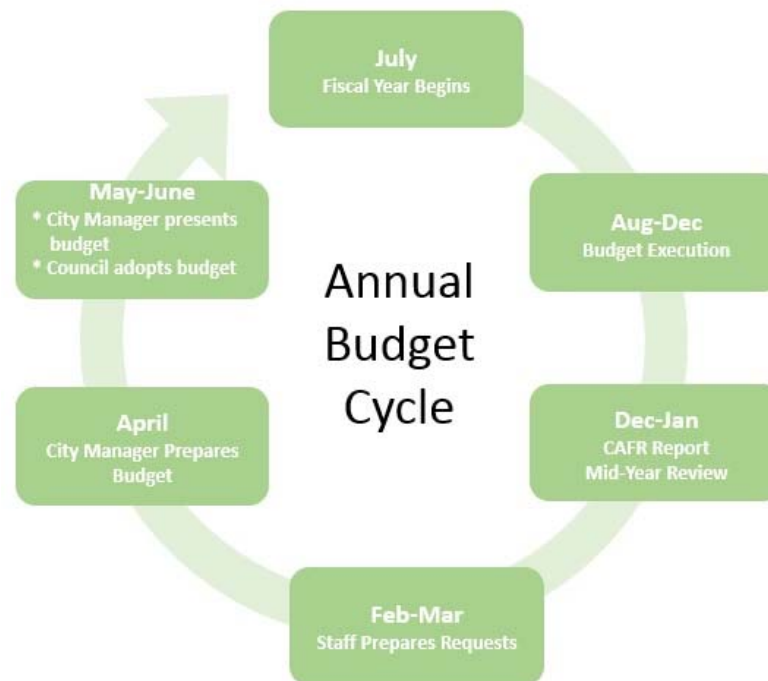


How big is Lodi's Budget?

- The total budget for all funds for Fiscal Year 2018/19 is \$200,979,370
- This includes:
 - \$51 million for General Fund Operations
 - \$71 million for Electric Utility Operations
 - \$12 million for Wastewater Utility Operations
 - \$11 million for Water Utility Operations
 - \$34 million for other fund operations
 - \$22 million for capital improvement, equipment and vehicle purchases
 - \$1.6 million General Fund
 - \$20.4 million Other Funds

Annual City Budget Development

A budget year, called a Fiscal Year, starts July 1st and runs through June 30th





Budget Structure - Funds

- The Budget is structured into many different Funds. Funds are classified as:
 - General Fund – this is the main fund and provides general government and services such as Police and Fire services
 - Enterprise Funds – these funds act like a business and include Electric Utility, Water Utility, Wastewater Utility and Transit. Monies received in these funds can only be used for the services they were collected for
 - Special Revenue Funds – these funds charge user fees or receive grants to operate and receive support from the General Fund. They include: Streets, Community Development, Parks and Recreation and Library
 - Other Funds – these funds are internal and miscellaneous funds and include Capital, Equipment/Vehicles, Debt Service, Benefits, Fleet Services to name a few



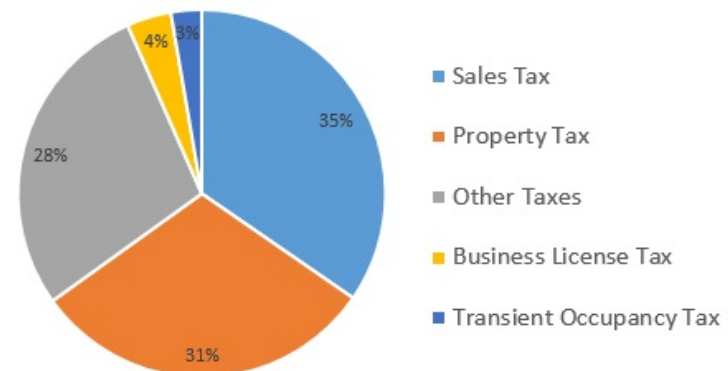
General Fund

General Fund

Where Does General Fund Money Come From?

General Fund Tax Revenues

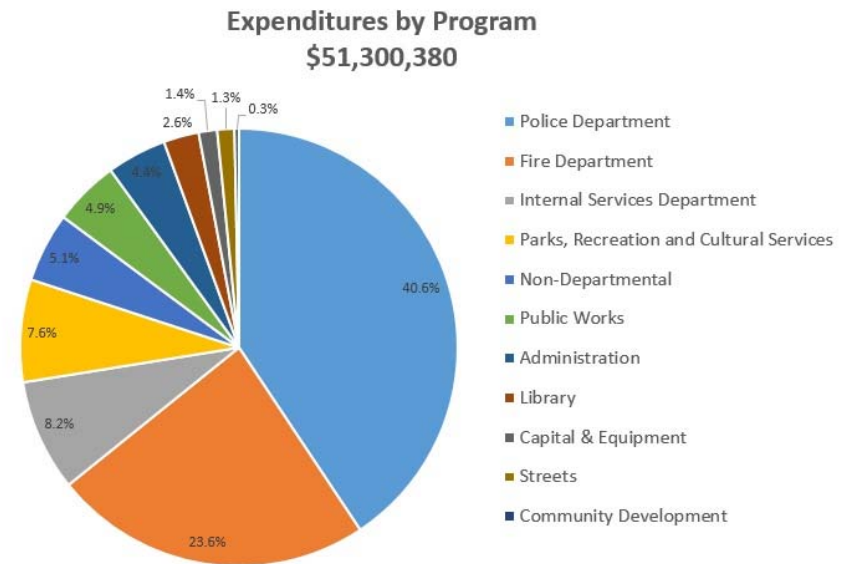
General Fund Revenues	Budget 2018-19
Tax Revenues	\$35,185,730
Revenue from Others	\$6,018,380
Operating Transfers In	\$4,994,780
Investment & Property Revenues	\$1,647,830
Charges for Services	\$1,503,980
Fines & Forfeitures	\$1,447,050
Other Revenue and Licenses & Permits	\$502,630
Grand Total	\$51,300,380



General Fund

What Does General Fund Pay For?

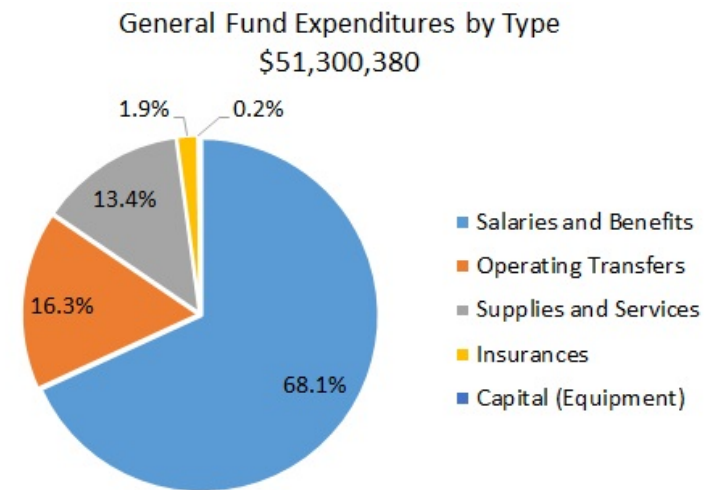
General Fund Expenditures	Budget 2018-19
Police Department	\$20,852,850
Fire Department	\$12,088,480
Internal Services Department	\$4,231,320
Parks, Recreation and Cultural Services	\$3,881,960
Non-Departmental	\$2,635,250
Public Works	\$2,491,940
Administration	\$2,263,640
Library	\$1,337,700
Capital & Equipment	\$700,000
Streets	\$652,240
Community Development	\$165,000
Grand Total	\$51,300,380



General Fund

Expenses by type

Expenditures by Type	Budget 2018-19
Salaries and Benefits	\$34,959,590
Operating Transfers	\$8,383,330
Supplies and Services	\$6,865,720
Insurances	\$990,500
Capital (Equipment)	\$101,240
Grand Total	\$51,300,380



Measure L – the ½ cent sales tax

- Voters approved a ½ cent sale tax increase in November 2018. Tax increase goes into effect April 1, 2019
- Estimated to raise \$5.4 million annually
- Sales tax increase to address:
 - Maintaining and enhancing rapid police and fire response times; restore firefighter and add police positions
 - Maintaining neighborhood police patrols and fire stations
 - Maintaining Library hours
 - Repairing potholes and local streets
 - Maintaining recreation facilities and programs
 - Address homelessness
 - Other essential city services



Measure L – What's first?

For Fiscal Year 2018/19 – Tax revenue will be collected for 1 quarter
City staff will be recommending to City Council on February 6 to approve the following positions:

- Police Department - 6 additional full time police officers and 2 part-time community services officers. This includes outfitting, training and 3 vehicles
- Fire Department – 3 firefighters to staff Engine 1. This includes outfitting and training





Measure L – Looking Forward

Fiscal Year 2019/20 – These services to be determined by City Council during the normal budget process

- Police – Maintaining 6 police officers and 2 community service officers; strategic enhancements to PD's operations
- Fire – Maintaining 100% service of Engine 1; increase vital training for all fire personnel
- Parks – Maintaining existing park service levels; begin deferred maintenance and capital needs
- Library – Maintain current operating hours and General Fund support
- Street Maintenance – Continue general fund support for street projects to protect City's Measure K revenue.
- Maintain all existing service levels into the future



Enterprise and Special Revenue Funds

Enterprise Funds

Enterprise Funds – charge user fees that are used to operate and to fund capital improvements

	FY 2018/19		
	Revenue	Operating Expenses	Capital Improvement
Enterprise Funds:			
Electric Utility	73,615,090	70,805,490	4,324,000
Water Utility	14,448,540	10,825,210	2,675,000
Wastewater Utility	19,820,600	12,191,930	7,350,000
Transit	5,292,480	3,681,640	930,000

Special Revenue Funds

Special Revenue Funds charge fees to cover expenditures and/or receive grant funds for operating and capital expenses

Special Revenue Funds:	FY 2018/19		
	Revenue	Operating Expenses	Capital Improvement
Streets	7,770,130	3,057,630	3,225,040
Community Development	2,586,100	2,229,990	-
Parks, Recreation and Leisure Services	6,153,300	6,224,990	-
Library	1,484,700	1,337,700	100,000



General Fund Outlook

General Fund Outlook

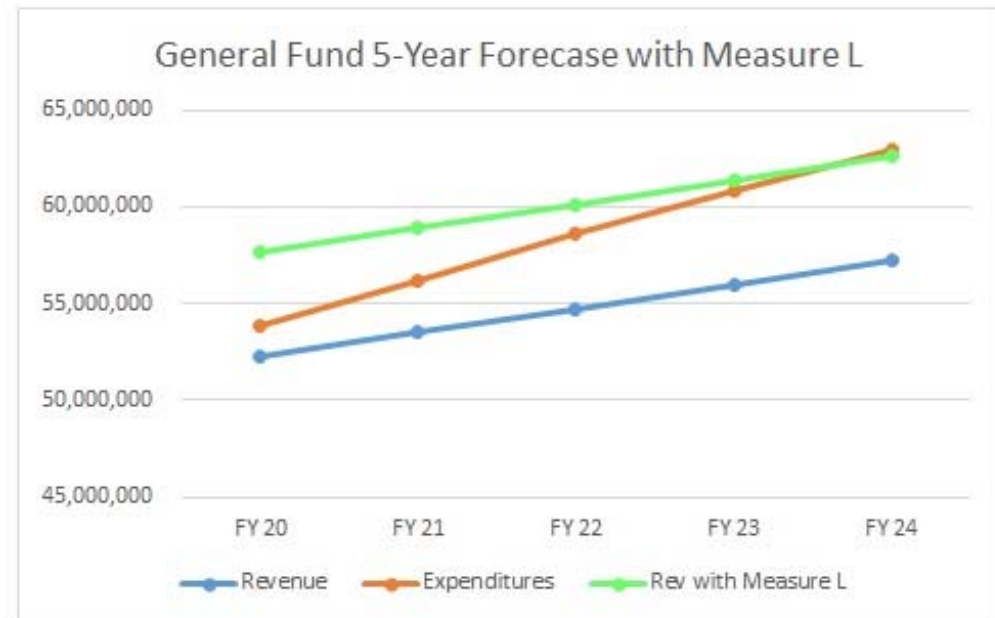
Projected revenues and expenses for the next 5 fiscal years

Prior to Measure L:

- Expenses were expected to outpace revenues, due mostly to rising costs of PERS pensions and retiree medical costs
- Fund balance sufficient to cover through FY 22 depleting all local reserves; thereafter the use of the PERS Stabilization Fund will be needed to balance the budget

With Measure L:

- City has improved its long term outlook and is able to strategically add services
- Council has not approved any Measure L expenditures
- Forecast shows existing operations and does not include the police and fire positions discussed previously





Discussion

- Questions - now's the time to ask!
- Comments – let us know how we are doing
- Feedback – are we on the right track? Should we be doing more or less of something and why?